

this and we're protecting that. We can't do this." We have to balance the budget. And this administration has done what I think is the most selfish thing, and that is to play the political game at the expense of American families.

The President has not done anything to bring about real change. In 1993, we had the largest tax increase the world has ever known. But spending continued to go up, and we have not balanced the budget. He has proposed two budgets this year, neither of them balanced. Neither of them got any votes in this Senate. He now proposes to bring up another one today. We will see. But he is going to do it without CBO numbers, without real numbers.

Now, people say, what is CBO? What is OMB? What is the difference? I can tell you what the difference is. CBO is real numbers. You can balance the budget, if you fool with the projections, without really balancing the budget. Raise the projections out here 7 years from now when you are no longer President and it is painless to do it in the meantime. It is also phony. We cannot do that.

We see this leadership in this administration trying to patch the walls of a crumbling welfare state. Talking about the Great Society, we spent \$5 trillion in these welfare programs and they have not worked. You cannot expect different results if you continue to do the same thing. You need real welfare reform. We need to guard and protect Medicare. And we need to think about what kind of country we want as we go into the 21st century. The balanced budget is the way to proceed.

Mr. President, there are a number of principles that need to be followed. First of all, if we are going to have a balanced budget, we have to start with honest numbers. Certainly, you can argue about the projections, but you have to start with real numbers and be willing to make the changes that are necessary to make that balance. You have to reduce Washington spending, which is as important as balancing the budget. You could balance it, I suppose, by raising taxes. But we need to bring down spending. We have to ensure Medicare solvency. We have to make some changes to do that. We have to have real welfare reform. Welfare reform without results is not what we want. We have to change that. We have to put some more power in the people in the States and move government closer to the people, and we must do it now.

Mr. President, I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

UNANIMOUS-CONSENT AGREEMENT—H.R. 2076

Mr. CRAIG. Mr. President, before I yield to the Senator from Alaska, I ask unanimous consent that debate time on the Commerce, State, Justice appropriations conference report, H.R. 2076, be limited to the following: Senator

GREGG, 2 hours; Senator HOLLINGS, 2 hours; Senator BIDEN, 2 hours; Senator BUMPERS, 20 minutes. Further, that following the expiration or the yielding back of the previously mentioned debate time, the Senate vote on the adoption of the conference report with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. I thank the Chair.

Now let me yield 5 minutes to the Senator from Alaska, to speak on the President's veto of the budget.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI] is recognized for 5 minutes.

Mr. MURKOWSKI. I thank my colleague from Idaho. I wish the President a good morning.

PRESIDENTIAL VETO OF THE BALANCED BUDGET

Mr. MURKOWSKI. Mr. President, yesterday, President Clinton, with a great deal of fanfare and theatrics, vetoed the first balanced budget legislation sent to any President in the last three decades. Think about that a moment, Mr. President. The first balanced budget legislation sent to any President in nearly three decades was vetoed yesterday by President Clinton.

What is the accumulated debt of this country? It is \$4.9 trillion. That occurred as a consequence of prevailing Democratic control of both the House and Senate during those decades.

The veto was very well orchestrated, with the President deciding to use the same pen that the late President Lyndon Johnson used to sign the original Medicare legislation back in 1965. However, in what may be a metaphor for this President, when he put pen to the paper, nothing happened; the pen was out of ink, just as the President is out of ideas and just as Medicare is out of money.

Mr. President, the American public deserves better. Throughout the entire year, Republicans in Congress have worked night and day to develop and pass a real balanced budget along with family tax relief. There were some Democrats who worked with us. And what has the President done this year? Absolutely nothing. He has spoken empty rhetoric about wanting to balance the budget.

Mr. President, there is a difference between wanting and doing. President Clinton has submitted two budgets this year. The first one—think about this—the first one did not receive a single vote, Democrat or Republican, when we voted on it in the Senate, not one single vote, because the President's first budget would have led us to unending deficits and a sea of red ink for the indefinite future.

He came along and said his second budget would balance in 10 years. But like everything else with this President, rhetoric and reality are inconsistent. It is what the polls say that motivates the actions down at the White House.

When the Congressional Budget Of-

fice scored the President's second budget, they again found endless annual deficits—in excess of \$200 billion. Now the President says he is going to send us a third budget, and this one will be balanced in 7 years. I am a little cynical simply because I have been there before. I am from Missouri—maybe—when in reality I am from Alaska, but the same point is applicable. After two false starts, I wish to see something real.

I hope the President does send us a balanced budget, but I have had an opportunity this morning for a preview of what we anticipate is his effort, and it does not balance. It simply does not balance. So as a consequence, I fear we are facing a third situation where the President has sent us something that is totally unacceptable.

I hope that the President will be willing to recognize and give the American family the relief they need from taxes. I hope he will give Americans incentives to invest in our future and save. I hope that he would give Americans an opportunity for hope—hope that Government can be downsized, more efficient, more responsive. And I hope he will give America the economic security that will come from allowing oil exploration to proceed in ANWR, which I note in his veto statement he rejected.

On that point, I would like to defer to his veto statement where he suggests, under title V, the opening of the Arctic National Wildlife Refuge to oil and gas threatens a unique, pristine ecosystem in hopes it will generate \$1.3 billion in Federal revenues, revenues based on wishful thinking, and outdated analysis.

Mr. President, the wishful thinking is in the eyes of some of America's environmental community that focuses on this as a cause for membership and a cause of raising dollars at the expense of our national energy security, and at the expense of our jobs and at the expense of American technology.

Geologists have indicated that this area is the most likely area in North America where a major oil discovery could take place. And to suggest the arguments that prevailed against Prudhoe Bay 20 years ago are now being applied to the opening up of ANWR are not realistic is really selling American technology and ingenuity short. This could be the largest single job producer in the United States for the remainder of the century. It could be the largest contributor, if you will, to an increase in tax revenue for the Federal and State governments. The consequence of the President's shortsightedness in dismissing this really underestimates the capability of America's can-do spirit and advanced technology.

Mr. President, I think it is fair to say the American public today is fed up with this lack of leadership. The American public wants a balanced budget

they can understand. They do not understand the dispute between the OMB and the CBO figures. They want a balanced budget that simply says the revenue will equal the outflow. We got into this situation as a consequence of spending more money than we generated in revenues, and there is only one way to correct that: Either through increased revenues or reduced spending.

We Republicans, I think, have delivered a responsible pledge. It is now up to the President to transform his words into deeds. It is time for the President to get serious, to send us his proposals for balancing the budget with no phony numbers, no rosy scenarios. And it is time for the posturing to end and the serious business of balancing the budget to begin.

I thank my colleagues and wish them a good day.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Idaho.

Mr. CRAIG. Mr. President, before I yield to the Senator from Michigan, I ask unanimous consent to have printed in the RECORD a study by the Heritage Foundation called "Balanced Budget Talking Points: The \$500-Per-Child Tax Credit," which discusses what it would mean to a typical middle-income family in this country to have the middle-class family tax credit that was in the Balanced Budget Act vetoed yesterday. In having this printed in the RECORD, let me suggest that a family of four spends on the average \$3,986 a year in groceries, or about \$332 a month. What the President did yesterday was take away from the average American family 3 month's—3 month's—worth of grocery bills.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE \$500-PER-CHILD TAX CREDIT MEANS ONE MONTH'S FOOD AND MORTGAGE FOR A TYPICAL AMERICAN FAMILY

(By Scott A. Hodge, Grover M. Hermann
Fellow in Federal Budgetary Affairs)

*"If you take the \$500 a year tax credit, and I figure, you know, \$5 for a bottle of wine, that is 100 bottles of wine for a family."*¹—Congressman Jim McDermott (D-WA)

Contrary to what elitists in Washington would have the public believe, for most hard-working American families raising children a \$500 tax cut for each child is not an insignificant amount of money. This is especially true as many families no doubt are wondering how they will be able to afford the \$432 some surveys report each household expects to spend this holiday season.² Yet the families of 51 million children, or over 28 million families in all, will be denied relief from their financial worries by President Bill Clinton's expected veto of Congress's seven year balanced budget and tax cut plan, which had as its centerpiece a \$500-per-child tax credit. This tax cut would pump over \$22

billion per year into family budgets across the country so that working parents can provide for their children in a way no government program can.

As congressional Republicans negotiate with the White House on a compromise plan to balance the budget by 2002 and provide tax cuts, they should resist pressure to scale back the \$500-per-child tax credit as a price for cutting a deal. Those who argue that Washington cannot "afford" such generous tax cuts while the government is trying to balance the budget are, in effect, arguing for higher spending. The budget will not be balanced any faster if the amount of the per-child credit is reduced below \$500 or if the income for which families are eligible is lowered from its current level of \$110,000 for joint filers.³ Any money not put back in the checkbooks of working families with children through tax cuts, is more money in the checkbook for politicians and bureaucrats to spend while the budget is moving toward balance.

Congressional and White House negotiators should keep in mind that for parents with two children, the \$1,000 tax cut they would receive under this plan could mean the difference between paying the mortgage and not. Indeed, as the table below shows, a \$1,000 tax cut for the typical family with two children is enough to pay one month's mortgage and grocery bills, or 11 months worth of electric bills, or nearly 20 months worth of clothing for the children. In other words, a \$1,000 tax cut is a significant amount of money for most families' household budgets.

WHAT THE \$500-PER-CHILD TAX CREDIT MEANS FOR A FAMILY WITH TWO CHILDREN

Family budget item	Annual household cost for a family of 4	Monthly cost	How many months of this item can be purchased with \$1,000
Groceries	\$3,986	\$332	3.0
Mortgage payment (principal, interest, and taxes)	7,972	664	1.5
Natural gas	333	28	36.0
Electricity	1,085	90	11.1
Telephone	803	67	14.9
Water	331	28	36.3
Children's clothing	612	51	19.6
Auto payments	3,325	277	3.6
Gasoline purchases	1,397	116	8.6
Health insurance	817	68	14.7
Medical services	749	62	16.0
Drugs and medical supplies	366	31	32.8
Personal care products and services ..	526	44	22.8
Educational expenses	739	62	16.2
Life and other personal insurance	557	46	21.5
Personal services (babysitting, child care, etc.)	536	45	22.4

Source.—Heritage calculations, based on Bureau of Labor Statistics, Consumer Expenditure Survey, 1992–93.

There are also sound policy reasons to cut taxes for families with children:

Families with children are overtaxed.—In 1948, the average American family with children paid only 3 percent of its income to Uncle Sam. Today the same family pays 24.5 percent.

Giving a family of four a \$500-per-child tax credit is equivalent to giving them one month's mortgage payment.—The average family now loses \$10,060 per year of its income due to the 45-year increase in federal taxes as a share of family income. This tax loss exceeds the annual mortgage payment

on the average family home. The \$1,000 in tax relief the congressional tax-cut plan would give to a family with two children would help this family pay one month's mortgage payment.

Millions of families stand to benefit.—The families of 51 million American children, or 28 million taxpaying families, are eligible for the \$500-per-child tax cut.

Family tax relief helps families in every state.—The typical congressional district has some 117,000 children in families eligible for a \$500 tax credit. Thus families in the typical district would receive \$54 million per year in tax relief.

Congress' \$500-per-child tax credit would eliminate the entire income tax burden for 3.5 million taxpayers caring for 8.7 million children.—These 3.5 million families will receive over \$2.2 billion per year in tax relief. Families with two children earning up to \$24,000 per year would see their entire income tax burden eliminated by a \$500-per-child tax credit, and families with three children earning up to \$26,000 also would have their income tax bill eliminated.

Most families are middle-class.—The \$500 child credit plan will direct 89 percent of all benefits to families with adjusted gross incomes below \$75,000 per year—middle-income by any standard—and over 96 percent to families with incomes below \$100,000.

Cutting taxes for all families—regardless of income—is fair.—Congress' plan will cut the income tax burden of a family of four earning \$30,000 per year by 51 percent and the income tax burden of a family earning \$40,000 per year by 30 percent. Meanwhile, a family of four earning \$75,000 would see their tax burden reduced by 12 percent, and a family earning \$100,000 per year would receive a tax cut of just 7.4 percent.

Mr. CRAIG. Mr. President, I now yield 5 minutes to the Senator from Michigan, Senator ABRAHAM.

The PRESIDING OFFICER. The Senator from Michigan.

PROMISES TO BALANCE THE BUDGET

Mr. ABRAHAM. Thank you, Mr. President. I rise today to echo the comments made by my friend from Idaho and my friend from Alaska with respect to the President's decision to veto our Balanced Budget Act.

Mr. President, I am new to the Senate. I was elected last year, but for years I have followed the actions in Congress. I have observed the various people who came to Washington, including Presidents, and talked about how important it was to balance the budget. In fact, the President himself promised to balance the budget when he was a candidate in 1992. He promised to balance the budget in 5 years.

We have now gone 25 years without a balanced budget, 25 years of red ink, 25 years in which the people who ran for office promising to get the job done failed their fellow countrymen and constituents.

Over that period of time, a lot of finger pointing has gone on. Each side of the political arena has said, "Well, it's the other side's fault." Yet during that time, no balanced budget was ever presented to a President by a Congress, and, as I recall, no President has come to Congress with a balanced budget. Instead, all we've had is partisan rhetoric.

¹ Tax Provisions in the Contract With America Designed to Strengthen the American Family, Hearings before the Committee on Ways and Means, U.S. House of Representatives, January 17, 1995 p. 30.

² Bureau of National Affairs, "Conference Board, Arthur Anderson Polls Put Moderately Upbeat Face on Holiday," November 24, 1995.

³ For taxpayers filing jointly with incomes above \$110,000 the credit phases out at a rate of \$25 for each \$1,000 above the threshold (a range of \$20,000), thus fully phasing out at \$130,000 in income. For families with two children, the two credits this family is eligible for are fully phased out at \$150,000 in income. For single filers, the credit begins to phase out at \$75,000 in income.